

A regular meeting of the Board of Selectmen was held on October 5, 2009, 7:00 p.m., at the Dedham Middle School, Media Center, Whiting Avenue, Dedham, Massachusetts. Present were:

Michael Butler
Sarah MacDonald
Carmen DelloIacono

Selectman Jim MacDonald and Selectman Paul Reynolds were not able to attend the meeting.

Present Town Administrator's Office were: William Keegan, Town Administrator, Nancy Baker, Asst. Town Administrator, Marie Rizzo, Asst. to Administration.

Also present for this evening's meeting were:

Sue Carney, Finance Committee
Laura Timmons, Finance Committee
Dave Roberts, School Committee
Ned Colby, Dedham Transcript
Leanne Jasset, COA
Ginny McLaughlin, Endicott Estate
Marie-Louise Kehoe, COA
Rita Kalcos, COA Director
Mariellen Murphy, Finance Director
Robin Reyes, Treasurer/Collector
Bill Maroncelli, Finance Committee
Dick Bremer, Board of Assessors
Joe Flanagan, DPW Director
Dave Field, Director of Engineering
Jack Nackley, BPCC
Mike Humphrey, District 5 Chairman

Kevin Flaherty, Parks & Recreation
Sal Ledda, Parks & Recreation
John Maida, Parks & Recreation
Tom Clinton, Youth Commission
Dave Martin, Finance Committee
Bill Podolski, Finance Committee
Bill McKinney, Finance Committee
John Heffernan, Finance Committee
Jim Maher, Parks & Recreation
Kevin Coughlin, School Committee
Karen O'Connell, Eco.Dev.Director
Ken Cimeno, Bldg. Commissioner
Veronica Barnes, IT Director
Chris Ryan, Planning Director
Joe Findlen, District 4 Chairman
Brian Keaney, Dedham News

Mr. Butler called the meeting to order at 7:00 p.m.

Mr. Butler informed all that the topic of discussion for this evening's meeting was a proposal for a Stable Funding Source for Capital Building Projects. Mr. Butler's presentation was for discussion purposes only.

Mr. Butler went on to say that the Board of Selectmen has not taken a formal position relative to the creation of a stabilization fund or how it might be funded.

Mr. Butler discussed the Master Plan recommendations for Capital Improvements, i.e., that Dedham should continue to build its non-exempt debt capacity to fund capital improvement projects and that for several decades the Town stayed away from borrowing which resulted in many key public building not kept up as a result.

Mr. Butler went over the recent changes to the Local Tax Options and the estimated impact to the Town relative to the Hotel Tax (Incremental impact could range from \$132,00 to \$370,000 per fiscal year) and the Meals Tax (Impact could be in the range of \$200,000 to \$300,000). The actual results will not be known for approximately 6-12 months.

Mr. Butler outlined the proposal. It is as follows: To create a Facilities Stabilization Fund. The Fund will be dedicated to significant capital improvements to Town Facilities or replacement. It is not the intent to use the Fund for normal on-going maintenance. The Fund and interest will be applied to facilities improvements or debt service relative to bonds/notes issued for facilities improvements. No funds/interest will be permitted to pay operating expenses.

Mr. Butler informed all that the definition of Facility Improvements as follows: A Town/School Building replacement proposal or a major renovation and expansion of an existing Town/School facility. It shall not include on-going maintenance issues that may include such items as roof replacements, HVAC, upgrades, any type of scheduled/unscheduled facility maintenance proposals that would not otherwise involve the expansion or replacement of an existing Town/School facility.

Mr. Butler commented that the following approach would be adopted—0.75% Meals Tax and 2% Hotel Room Tax would be deposited in the Stabilization Fund effective upon approval. Additionally, the existing 4% Hotel Room, currently used for operating expenses, would be shifted to this Fund beginning in FY2012, 1% in FY2012, 2% in FY2013, 3% in FY2014, 4% in FY2015 and continuing thereafter.

Mr. Butler concluded his presentation, commenting that the proposal is focused on addressing a pressing need identified in the Town Master Plan, i.e., to establish a Facilities Stabilization Fund and to fund it with identifiable revenue stream.

Mr. Butler asked the audience for their comments.

Mr. Martin commented that he thought this type of funding would not be a stable source—it is variable, the funds will need to be disbursed by 2/3 vote of Town Meeting and the potential affect in local aid in general. Mr. Martin was concerned relative to the implication of State Aid going forward.

Ms. Murphy informed all that the State would not have proposed this option if it didn't cut local aid—the State gave authorization and is going to count as if had the revenue.

Mr. Humphrey feels the Town should base the stream on what we know-- the articles for meals tax/hotels would have to be voted first. If they did not pass, Town Meeting could not vote to establish a Stabilization Fund. Ms. Murphy commented that the Town Moderator would have to present the Stabilization Fund to Town Meeting—the body would have to vote money in and out of the Fund. Ms. Murphy went on to say that Town

Meeting will have control of the Fund. Mr. Reyes added that the money cannot be spent until it is in the Fund and that it was better idea to gather the money into the Fund than add into the budget.

Mr. Keegan informed all that it has been a long-standing issue for the Town of Arlington (Arlington Plan) on how they can dedicate a consistent plan the capital needs of their community. They have not been able to establish a revenue source. Mr. Keegan added that this proposal would provide a revenue stream for new facilities in the community going forward—it is not a certain source; however, it will go into the Stabilization Fund.

Mr. Martin discussed the creation of a Stabilization Fund without funding. He suggested the development of policies for disbursement, the amount of money taken in and out and decision on how to schedule.

Mr. DelloIacono informed all that this Fund would off set the Debt Exclusion and the Town would have to test the waters going forward. Mr. DelloIacono went on to say that he feels this is not found money, but money the Town does not have. He considers this stream new money to use to off set the Debt Exclusion. Mr. DelloIacono suggested Town Counsel get involve and set up procedures for the Town. Mr. DelloIacono supports the Meals Tax and the Hotels Tax.

Mr. Butler spoke about streamlining the committees going forward. Mr. DelloIacono remarked-- Building, Planning and Construction and Capital Expenditures.

Mr. Maher asked how the funds would be disbursed—who decides. Mr. Maher informed all that presently there is much competition for the Mitigation Funds.

Mr. Flaherty asked if these funds would be used just for buildings. He asked if land for buildings would be considered. Mr. Butler informed him that his presentation is just a proposal—have not discussed this matter. This meeting is to consider ideas and thoughts going forward.

Mr. Findlen commented that the government does not want to raise taxes. Due to the decrease in Local Aid, the State proposal will give Towns the option to increase the Meals/Hotel Tax—this increase would then go directly to the Towns. Mr. DelloIacono reminded all that the State proposed this arrangement three years ago.

Mr. Moulton was against a Meals/Hotels Tax. He had a problem with increasing taxes and would like it set at Town Meeting each year. Mr. Moulton asked if alcohol is included in meals. Ms. Murphy informed him that it is separate—the Town does not receive any of the alcohol tax.

Mr. Butler stressed need to create a Stabilization Fund going forward and this option would introduce a new revenue stream for the Town. Ms. Murphy added that Town Meeting will be considering everything—they have total control of the money. Ms.

Murphy went on to say that she had to check with Town Counsel relative to the taxes. She informed all that there is a notice requirement—every hotel and restaurant in Town will have to be notified if these taxes go into effect.

Ms. Timmons asked what is happening in our surround Towns. Ms. Baker commented that Boston has adopted both, the Town of Canton will consider the options in the Spring, the Town of Norwood will consider the Hotel Tax in November and Meals Tax in the Spring and the Town of Westwood will consider the options in the Spring. Ms. O'Connell added that many communities are waiting to see what happens at Town Meetings.

Ms. Jasset asked how this would impact funds for a Senior Center and if the Stabilization Fund is for only existing buildings. She asked if a new building could be included. Mr. Butler replied that the intent is not to rule out the Senior Center.

Mrs. Kehoe asked if a process has been discussed; if not, she respectfully requested that it be done before the Special Town Meeting. She asked the following—What dollar level will the Fund be used, how will priorities be established and does the proposal include matching funds.

Mr. Butler suggested a working group be formed—Finance Committee, School Committee, Town Administrator, Finance Director and Board of Selectmen. Mr. Butler asked that the group meet and come back with recommendations and that they work in good faith to come to the Special Town Meeting with some conclusions.

Ms. MacDonald made a motion to enter into Executive Session pursuant to M.G.L. Chapter 39, Section 23B, for the purposed of discussing Collective Bargaining; seconded by Mr. DelloIacono. **On the Vote:** Mr. DelloIacono, yes; Ms. MacDonald, yes; and Mr. Butler, yes.

This is to certify that the above is a true and accurate record of the Minutes of the Selectmen's Meeting held on October 5, 2009, which Minutes were approved on

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Michael L. Butler, Chairman